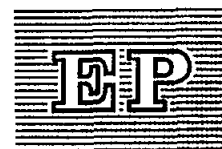




# United Nations Environment Programme



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Meeting of experts on  
Mediterranean Trust Fund and  
other institutional and  
financial matters

Geneva, 18-22 September 1978

FINANCIAL ARRANGEMENTS AND THE ESTABLISHMENT OF A  
MEDITERRANEAN REGIONAL TRUST FUND FOR THE  
IMPLEMENTATION OF THE CONVENTION FOR THE PROTECTION  
OF THE MEDITERRANEAN SEA AGAINST POLLUTION AND  
ITS RELATED PROTOCOLS

Corrigendum

1. Group "D" of Alternative III on page 5 should read:

<u>D</u>	2%	0.80	2.5
Albania		(.08)	
Cyprus		(.08)	
Lebanon		(.24)	
Malta		(.08)	
Syria		(.16)	
Tunisia		(.16)	



United Nations  
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GE.78-8400

## INTRODUCTION

1. After reviewing the financial implications of the entire Mediterranean Action Plan activities, the Executive Director proposes that the costs of the programme be met from three sources:

- (a) Mediterranean Regional Trust Fund composed of assessed contributions from the Contracting Parties to the Convention for the Protection of the Mediterranean Sea against Pollution and of voluntary contributions from those Mediterranean coastal States that are not Contracting Parties to the Convention;
- (b) Contribution of UNEP of not more than 25% of the total cost of the Mediterranean Programme up to a maximum of 10% of the budget allocated for Oceans by the UNEP Governing Council; and
- (c) Voluntary contributions from the Mediterranean coastal States and contributions from international organizations other than UNEP on a project funding basis for those activities not covered by the Mediterranean Trust Fund.

2. By recommendation 46 of the Intergovernmental Review Meeting of Mediterranean Coastal States on the Mediterranean Action Plan (Monaco, 9-14 January 1978), the Governments of the Mediterranean coastal States and the European Economic Community:

"... endorsed the principle of a separate trust fund to ensure the harmonious development and effective co-ordination of jointly agreed activities." 1/

3. When proposing a trust fund it is necessary to address several questions. Who will contribute to the fund and how will contributions be assessed? Towards what goals should the funds be used? Who will administer the fund and by what procedures?

### I. Financing of the Mediterranean Regional Trust Fund

4. It seems logical that all parties which benefit from the Mediterranean Action Plan should contribute towards the cost of the programme. However, if it is seen that a binding obligation to contribute to the fund can only be derived from the Convention 2/ and its related Protocols, then it follows that only the Contracting Parties are obliged to cover the costs of those activities which derive from the provisions of the Convention and the Protocols, while States which are not yet Contracting Parties may wish to make voluntary contributions to the Trust Fund.

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1/ UNEP/IG.11/4, Annex IV, paragraph 46

2/ "Convention" means the Convention for the Protection of the Mediterranean Sea against Pollution

5. Recognizing the spirit of full participation and consensus which has been demonstrated in all aspects of the Mediterranean Programme since the Action Plan was adopted in 1975, the Executive Director assumes that all Mediterranean coastal States which are not Contracting Parties will agree to contribute to the Mediterranean Regional Trust Fund on a voluntary basis according to the same scale of assessment which is to be applied to the Contracting Parties.

6. The means for assessing the proportion of the fund to be contributed by the various contributors remains a political decision to be taken by the contributors themselves. In order to facilitate the discussions, the Executive Director proposes the following alternatives:

Alternative I

7. All States should contribute according to the UN scale assessment as agreed by the General Assembly of the UN. The EEC contribution will be determined in consultation with the EEC and the Mediterranean Coastal States.

8. In accordance with the scale of assessment adopted by the General Assembly in 1977 <sup>3/</sup>, the percentage to be paid by each Mediterranean coastal State based on an index of 100 would be:

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<sup>3/</sup> Document ST/ADM/SER.B/232

Contributor	UN assessment scale	Proportional assessment for Mediterranean Regional Trust Fund (multiply by a factor of 7.98)
Albania	0.01	0.08
Algeria	0.10	0.80
Cyprus	0.01	0.08
Egypt	0.08	0.64
France	5.82	46.44
Greece	0.35	2.79
Israel	0.23	1.84
Italy	3.38	26.97
Lebanon	0.03	0.24
Libyan Arab Jamahiriya	0.16	1.28
Malta	0.01	0.08
Monaco <u>4/</u>	0.04	0.32
Morocco	0.05	0.40
Spain	1.53	12.21
Syria	0.02	0.16
Tunisia	0.02	0.16
Turkey	0.30	2.39
Yugoslavia	0.39	3.11
EEC	-	To be decided

Alternative II

9. - 25% of the trust fund to be covered by the participating Governments of the Region and the EEC in equal shares
- 75% to be contributed according to the UN assessment scale. The EEC contribution will be determined in consultation with the EEC and the Mediterranean coastal States.

4/ If the criteria used by the United Nations are applied to the Principality of Monaco, its assessment would be of the order of 0.04%. (See UNEP/IG.5/5, Annex III).

10. The percentage to be paid by each contributor according to this alternative would be:

Contributor	Equal share of 25%	+	UN assessment of 75%	=	Total percentage
Albania	1.32		0.06		1.38
Algeria	1.32		0.06		1.92
Cyprus	1.32		0.06		1.38
Egypt	1.32		0.48		1.80
France	1.32		34.86		36.18
Greece	1.32		2.10		3.42
Israel	1.32		1.38		2.70
Italy	1.32		20.25		21.57
Lebanon	1.32		0.18		1.50
Libyan Arab Jamahiriya	1.32		0.96		2.28
Malta	1.32		0.06		1.38
Monaco	1.32		0.24		1.56
Morocco	1.32		0.30		1.62
Spain	1.32		9.16		10.48
Syria	1.32		0.12		1.44
Tunisia	1.32		0.12		1.44
Turkey	1.32		1.80		3.12
Yugoslavia	1.32		2.34		3.66
EEC	1.32		-		To be decided

Alternative III

11. Proportional funding by four groupings of contributors, the individual contribution of any donor within each group to be decided by negotiation among the donors concerned:

Group	Percentage to be contributed by Group	Sum of individual UN assessment of Group members	Factor by which group effort varies from UN assessment
<u>A</u>	50%	85.62	1.71
France		(46.44)	
Italy		(26.97)	
Spain		(12.21)	
EEC		-	
<u>B</u>	42%	11.41	3.68
Greece		(2.79)	
Israel		(1.84)	
Libyan Arab Jamahiriya		(1.28)	
Turkey		(2.39)	
Yugoslavia		(3.11)	
<u>C</u>	6%	2.18	2.78
Algeria		(.80)	
Egypt		(.64)	
Monaco		(.32)	
Morocco		(.40)	
<u>D</u>	2%	0.72	2.78
Cyprus		(.08)	
Lebanon		(.24)	
Malta		(.08)	
Syria		(.16)	
Tunisia		(.16)	

12. This alternative has been proposed in response to the reservations expressed by some Governments with regard to the UN scale of assessment. By dividing the Mediterranean coastal States and the EEC into four groups, the overall contribution of the first group has been reduced from above 85% of the total budget if the UN assessment scale were to be applied to 50% of the total budget. This method would meet the concern of some Governments that the trust fund not be dependent on one or two principal donors. As a result of this reduced contribution from group A donors, it would be necessary for other Governments to increase their contribution above that foreseen by the UN scale of assessment. This increase has been distributed among groups B, C and D.

13. It should be stressed that all the alternatives are presented as proposals to provoke discussion by the experts. If the experts were to find the underlying methodology of alternative III suitable to the needs of the Mediterranean Regional Trust Fund, then it may be necessary to discuss in further detail the composition of the four groupings and the percentage of the trust fund to be contributed by each group.

14. UNEP, for its part, will contribute towards the co-ordinating costs and towards certain programme costs on a project funding basis in accordance with the formula set forth in paragraph 1.(b).

## II. Expenditures to be financed by the Mediterranean Regional Trust Fund

15. Another issue which the contributors will need to resolve is what costs are to be met through the trust fund, and what costs are to be covered by voluntary contributions outside the resources of the fund.

16. Recommendation 46 of the Monaco intergovernmental review meeting speaks of "a separate trust fund to ensure the harmonious development and effective co-ordination of jointly agreed activities"<sup>5/</sup>. In expanding this idea, the Executive Director would propose that the trust fund be used to cover the cost of those activities which may be considered as being directly derived from the obligations which the Contracting Parties have accepted or will be likely to accept under the Convention and its related Protocols.

17. Therefore, in reviewing the programme budget as set forth in Table I and elaborated in Table II of document UNEP/WG.19/5, the Executive Director would propose that the following costs be met by the Trust Fund. It should be noted that the programme activities listed below are based on the recommendations of the Intergovernmental Review Meeting of Mediterranean Coastal States on the Mediterranean Action Plan. (Monaco, 9-14 July 1978).<sup>6/</sup>

- (a) Co-ordinating costs (Article 13 of the Convention)
- (b) Meeting costs (Article 14 of the Convention, Article 14 of the dumping protocol <sup>7/</sup>, Article 12 of the Protocol on co-operation in pollution emergencies <sup>8/</sup>).

<sup>5/</sup> UNEP/IG.II/4, Annex IV, paragraph 46.

<sup>6/</sup> UNEP/IG.II/4, Annex IV.

<sup>7/</sup> "dumping protocol" means Protocol for the Prevention of Pollution of the Mediterranean Sea by Dumping from Ships and Aircraft.

<sup>8/</sup> "protocol on co-operation in pollution emergencies" means the Protocol concerning Co-operation in Combating Pollution of the Mediterranean Sea by Oil and other Harmful Substances in Cases of Emergency.



(c) Certain programme costs

- (i) MED PDL Pilot Projects (Articles 10 and 11 of the Convention, Article 4 of protocol on co-operation in pollution emergencies).
- (ii) Airborne pollution  
(Articles 8 and 11 of the Convention, protocol on land-based sources of pollution 9/.)
- (iii) Riverborne pollution  
(Articles 8 and 11 of the Convention, protocol on land-based sources of pollution).
- (iv) Blue Plan  
(commonly agreed programme adopted by Inter-governmental Meeting of Mediterranean Coastal States on the Blue Plan, Split, 31 January - 4 February 1977). Funds for Blue Plan were pledged at the Split meeting.
- (v) Development of environmental quality criteria and interim standards  
(Articles 8 and 11 of the Convention, protocol on land-based sources of pollution).
- (vi) Regional Oil Combating Centre  
(Article 9 of the Convention, protocol on co-operation in pollution emergencies).

18. All other programme costs, such as the Priority Actions Programme, will have to be covered by voluntary contributions from the Governments of the Region and the EEC and by contributions from international organizations on a project funding basis.

III. Administration of the Trust Fund

19. As the organization responsible for carrying out the secretariat functions associated with the Convention, 10/ it is assumed that UNEP will be asked to administer the trust fund to be established for the implementation of the Mediterranean Action Plan.

20. As an integral Part of the United Nations, UNEP is obligated to follow the "Financial Regulations and Rules of the United Nations" 11/ as well as the "General Procedures Governing the Operations of the Fund of the United Nations Environment Programme" 12/ which are based on the overall UN regulations.

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9/ "protocol on land-based sources of pollution" means the draft Protocol for the Protection of the Mediterranean Sea against Pollution from Land-Based Sources currently being negotiated.

10/ Article 13

11/ Financial Regulations and Rules of the United Nations, ST/SGB/Financial Rules II/Rev. 2 (1978)

12/ Legislative and Financial Texts Regarding the United Nations Environment Programme and the Environment Fund, Na 75.2381, (February 1976).

21. Several specific regulations and articles would be applicable in the establishment of a regional trust fund for the Mediterranean Programme 13/. Article 5 of the general procedures for the Fund of UNEP is particularly relevant:

Within the framework of the Fund, trust funds may be established by the Executive Director with the approval of the Governing Council for specified purposes consistent with the policies, aims and activities of the Fund. The purpose and limits of each trust fund shall be clearly defined. The Financial Rules [for the Fund of UNEP] shall apply to any trust fund established under this article. 14/

22. Therefore, in accepting to administer a regional trust fund, the Executive Director of UNEP would be bound to apply the financial rules of the Fund of UNEP as adopted by the Governing Council.

23. Taking into account the UN regulations for the establishment of trust funds, it would not be necessary for the Contracting Parties to adopt separate regulations for the administering of the Mediterranean Regional Trust Fund. However, it would be necessary for the parties to set forth clearly their agreement to establish a trust fund, the purposes and limits of the fund and the assessment on the basis of which each party will contribute to the fund. The Executive Director would suggest that the Contracting Parties adopt a conference resolution which would address itself to all the elements mentioned above. In order to facilitate discussions on a possible resolution, a draft Resolution on Financial Arrangements and the  
..... Mediterranean Regional Trust Fund is attached to this report.

24. The experts are invited to consider this draft resolution and to recommend to the Executive Director appropriate revisions with a view to the adoption of the resolution by the first meeting of the Contracting Parties.

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13/ See Financial Regulations 6.6, 6.7, 7.2, and 7.3

14/ Legislative and Financial Texts, p.16

DRAFT RESOLUTION ON  
FINANCIAL ARRANGEMENTS  
AND  
MEDITERRANEAN REGIONAL TRUST FUND

for the implementation of the relevant provisions of the Convention for the Protection of the Mediterranean Sea against Pollution and its related protocols.

THE CONTRACTING PARTIES

NOTING the entry into force of the Convention for the Protection of the Mediterranean Sea against Pollution and its related Protocols

HAVING ADOPTED the Mediterranean Action Plan

WELCOMING the willingness of the Executive Director of the United Nations Environment Programme to assume responsibility for administering a Regional Trust Fund for the implementation of the relevant provisions of the Convention for the Protection of the Mediterranean Sea against Pollution and its related protocols

WELCOMING FURTHER the readiness of the Mediterranean coastal States which are not Contracting Parties to the above mentioned Convention and its related Protocols to contribute voluntarily to a Regional Trust Fund

AGREE to establish a Regional Trust Fund to cover the cost of implementing the relevant provisions of the above cited Convention and its related protocols, and particularly the provisions of articles 5, 6, 8, 10, 11, 13 and 14 of the said Convention, articles 6, 7, 8, 9, 10, 11 and 12 of the Protocol concerning Cooperation in Combating Pollution by Oil and other Harmful Substances, and articles 1 and 14 of the Protocol for the Prevention of Pollution of the Mediterranean Sea by Dumping from Ships and Aircraft.

DECIDE that the Mediterranean Regional Trust Fund cited above, be financed by:

1. assessed contributions from the Contracting Parties, and
2. voluntary contributions from Governments of the Mediterranean coastal States which are not Contracting Parties

DECIDE that:

1. the contributions of the Mediterranean Regional Trust Fund be assessed as follows: \*

[Alternative I: According to the scale of assessment of the United Nations, with the EEC contribution to be agreed upon by the EEC and the Contracting Parties.]

[Alternative II: 25% equal sharing among all Parties  
75% according to the scale of assessment of the United Nations, with the EEC contribution to be agreed upon by the EEC and the Contracting Parties.]

\* Assuming full participation on a voluntary basis by Governments of the Mediterranean coastal States which are not Contracting Parties.

[Alternative III: Proportional funding by four groupings, the individual contribution within each group to be decided by negotiation among the Parties within the group as follows:

<u>Group A:</u>	France, Italy, Spain, EEC	50%
<u>Group B:</u>	Greece, Israel, Libyan Arab Jamahiriya, Turkey, Yugoslavia	42%
<u>Group C:</u>	Algeria, Egypt, Monaco, Morocco	6%
<u>Group D:</u>	Albania, Cyprus, Lebanon, Malta, Syria, Tunisia	2%]

REQUEST that the Executive Director of UNEP assume responsibility for administering the Mediterranean Regional Trust Fund.